GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

STARRED QUESTION NO:576
ANSWERED ON:26.04.2001
FINANCIAL CRISIS IN COTTON TEXTILE INDUSTRY
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Will the Minister of TEXTILES be pleased to state:

(a) whether the Government are aware that despite the heavy production of cotton the cotton based textile industries are facing acute financial crisis;

(b) if so, the reasons therefor; and

(c) the remedial measures being taken by the Government in this regard?

Answer

MINISTER OF TEXTILES (SHRI KASHIRAM RANA)

(a) to (c) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 576 FOR 26.4.2001.

(a) to (c) : The production of Cotton, Cotton Yarn and Cotton fabrics and exports of CottonTextiles during the last 5 years have been as follows:

Item	Production Unit	1996-97	1997-98	1998-99	1999-2000	2000-2001 (upto February 2001) (Provisional)
Raw cotton+	Million kg.	3024	2686	2805	2652	2482
Cotton Yarn	Million kg.	2148	2213	2022	2204	2073
Cotton fabrics	Million Sqm.	19841	19992	17948	18989	17874
Exports						
Cotton Textiles	Rs. in Crore	7252	7440	7660	7960	5700

+ Cotton Year October-September.

It may be seen from above that production and exports of cotton textiles have been showing a positive growth during the last 5 years. However, the production of cotton and cotton fabrics has declined during 1998-99 as compared to the previous year due to recession in the domestic and international markets. Government have taken a number of steps for overall growth and development of the Cotton Textile Industry. Some of these are as follows:-

i) The Technology Mission on Cotton (TMC) has been launched to improve the production, productivity and quality of cotton with a view to ensure the availability of good quality cotton at reasonable prices to the textile mills.
ii) Encourage modernization of Cotton Textile Industries by providing reimbursement of 5% on interest charged by the lending agencies on projects of Technological Upgradation under the Technology Upgradation Fund Scheme (TUFS).
iii) Import of cotton is under OGL to help industry to import the requisite quality of raw cotton.
iv) Reduction of customs duty from 15% to 5% on certain textile machinery.